TOYO CONSTRUCTION CO., LTD.

Earnings Announcement for Fiscal Year ended March 31, 2025

May 12, 2025

Agenda

1. Results of FY2024 ended March 2025
2. Forecasts for FY2025 ending March 2026
3. Statuses of Segments
4. Progress of Mid Term Plan
5. Topics in businesses

1. FY2024 Results

1 Summary of FY2024 results

Compared to the prior forecasts, OP achieved, EPS and planned DPS increased

		vs. Feb. forecast	YoY
Net Sales	172.6 bln	(9.3) bln yen (5.2) %	(14.1) bln yen (7.6) %
Operating Profit	11.6 bln	+ 0.0 bln yen + 0.4 %	+ 0.7 bln yen + 7.0 %
Profit attributable to owners of parent	8.3 bln	+ 0.7 bln yen + 9.4 %	+ 1.2 bln yen + 18.5 %
EPS	88.49 JPY	+ 7.58 yen + 9.4 %	+ 13.98 yen + 18.8 %
DPS (planned)	88 JPY	+ 8 yen + 10.0 %	+ 14 yen + 18.9 %
Orders received	227.3 bln	+ 7.8 bln yen + 3.6 %	+ 55.9 bln yen + 32.6 %

Factors of difference

vs. February forecast

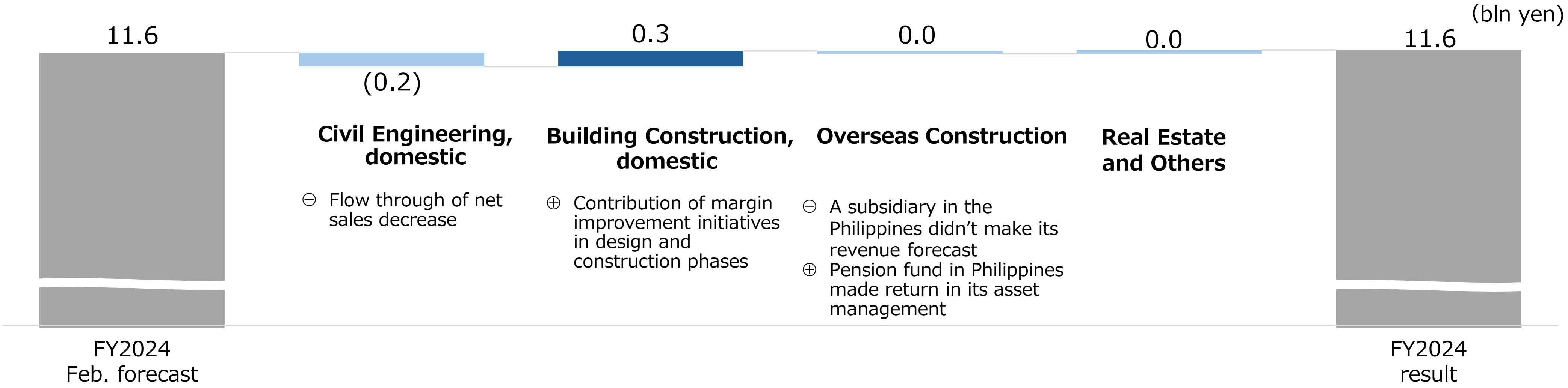
- Achieved operating profit forecast thanks to increase of gross profit margins of completed constructions offset by net sales decrease. SG&A was in-line. In segments, domestic building construction contributed the most.
- Net sales made significant progress in all segments in the fourth quarter but fell short of the forecasts. In overseas, while the expected ODA project has progressed, a building construction subsidiary in the Philippines did not make its forecast. Domestic building construction received some impact from postponement to the next FY of construction completions, in order to respond to client requests. In domestic civil engineering, obtain of expected design changes in a large-scale project in the fourth quarter resulted in net sales reached to in-line level.
- Gains from sale of non-current assets including land and ships contributed to net profit.
- 227.3 bln yen of orders received has met the forecast.

YoY

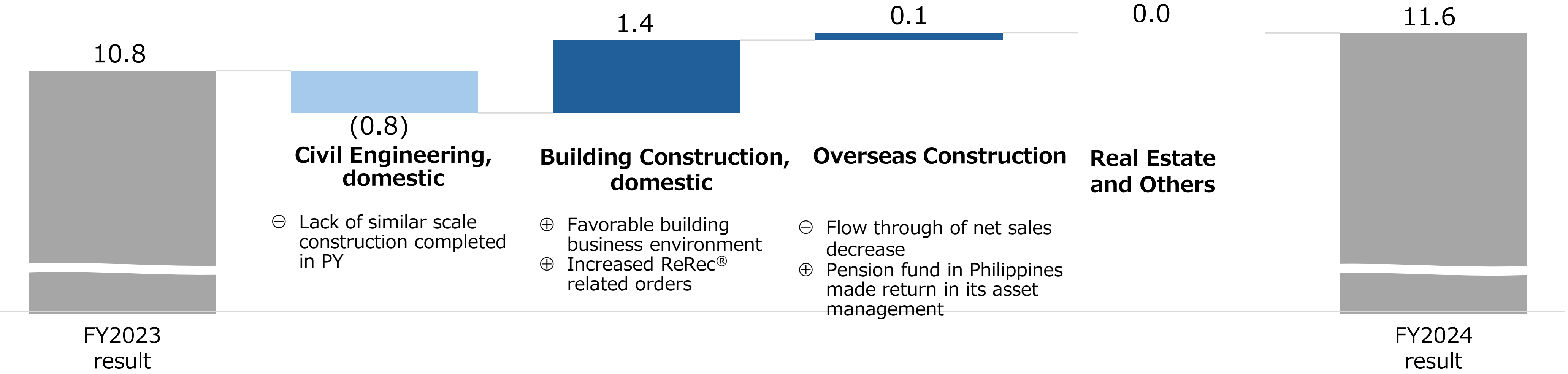
- Operating profit increased. Domestic building construction made significant contribution.
- Net sales decreased ascribe to all segments.
- Net profit increased by 1.2 bln yen thanks to operating profit increase and the gain from the sale of assets including land, ships and investment securities.
- Orders received has significantly surpassed PY in amount.

1 Operating Profit: factors of difference in segments

vs. prior forecasts

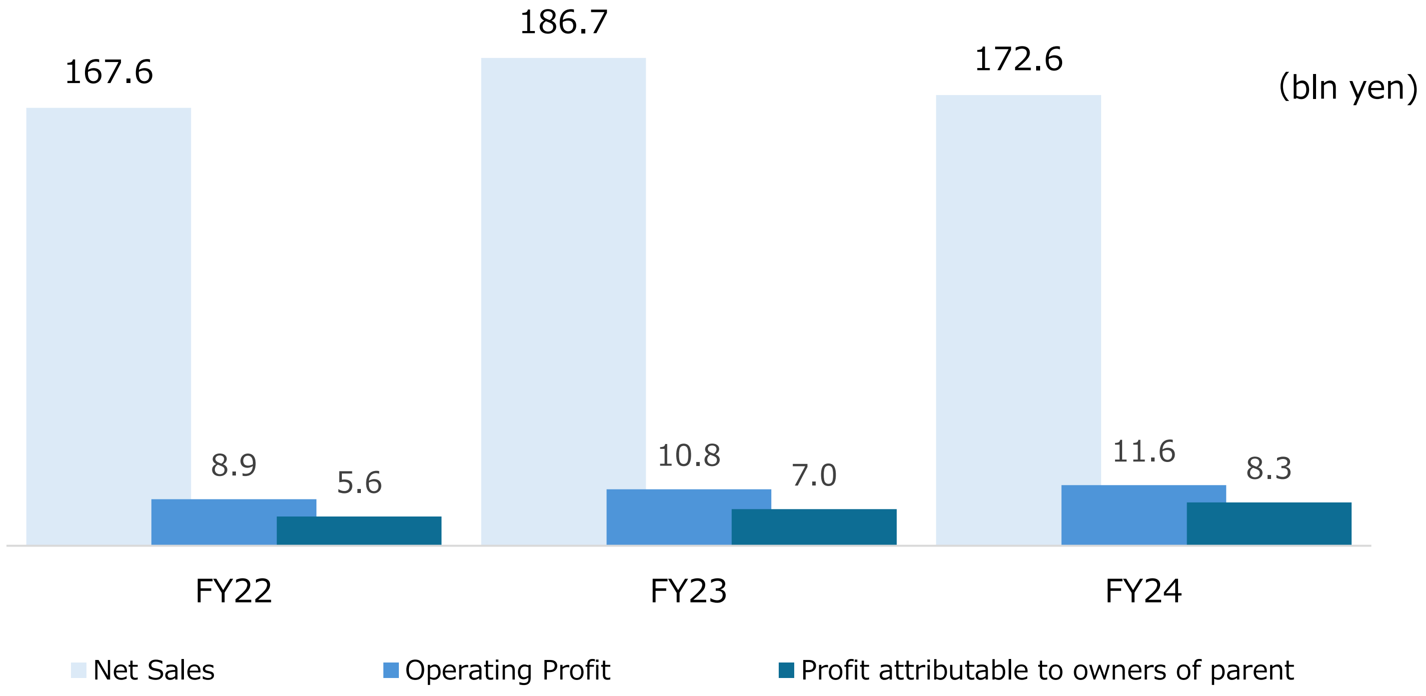


YoY



1 Development of Net Sales, Operating Profit, Net Profit and ROE

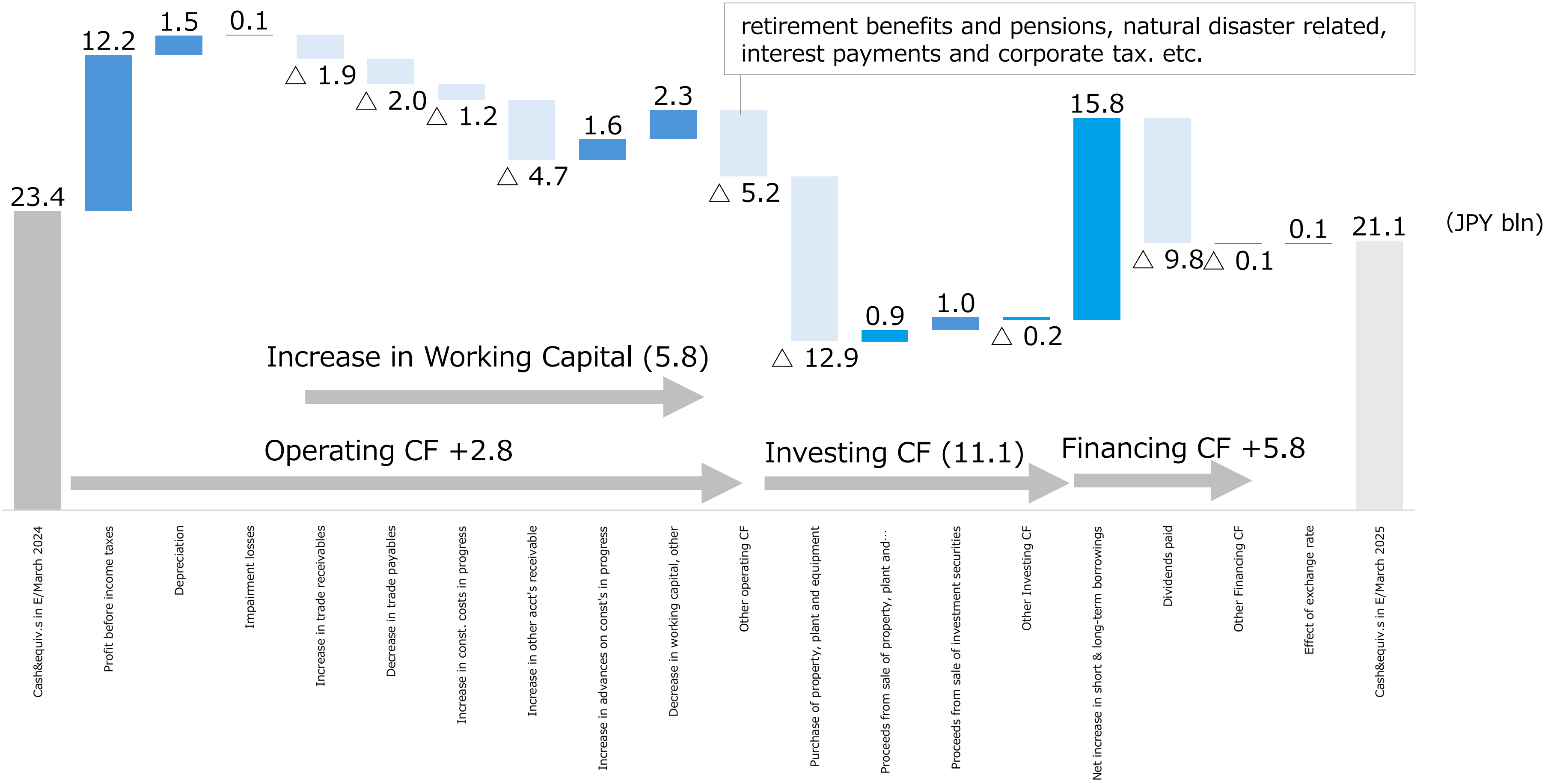
- In an environment where material and labor costs are rising, we carefully listen to clients and understand their expected features and economies, and then reflect those diligently in our design and construction processes
- The company cautiously runs profit assessments at bidding and order-taking phases
- As consequences, it has realized steady and growing profits



ROE	8.1%	9.4%	10.7%

1 Cashflow

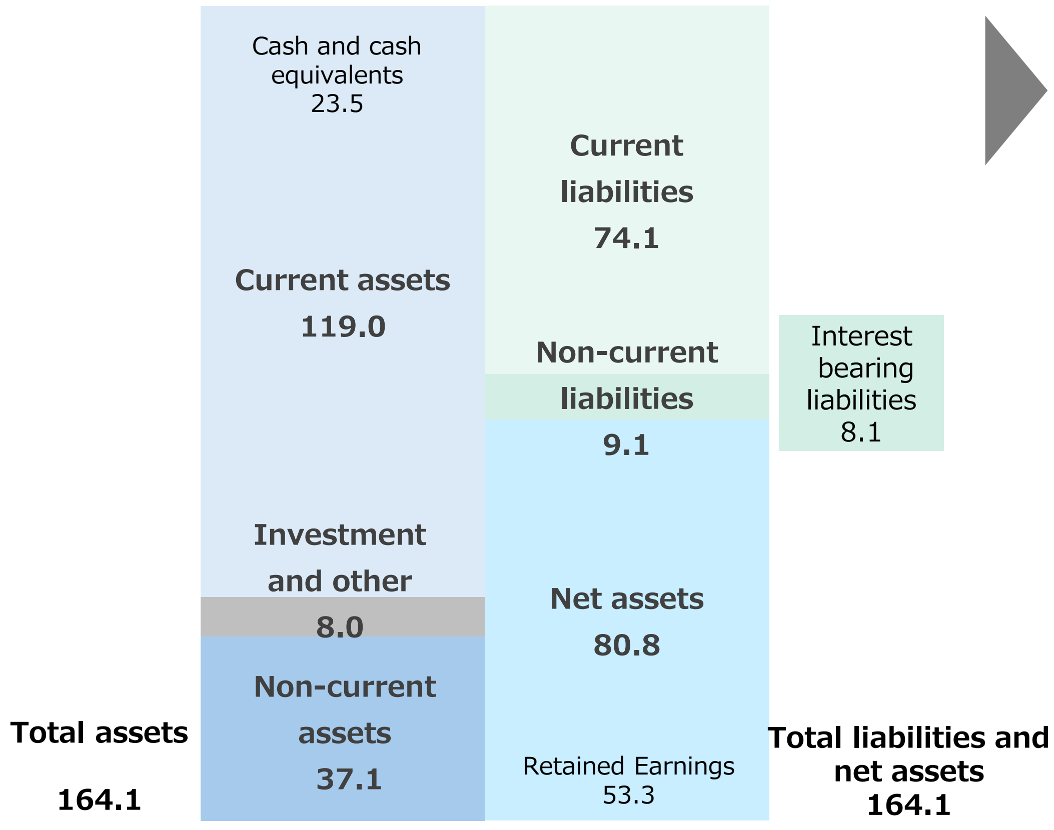
- Operating CF was +2.8 bln yen inflow. In that, impact of working capital increase was (5.8) bln outflow.
- Main items of Investment CF amounted to (11.1) bln yen are;
  - Capital expenditure on the Cable Laying Vessel and others (12.9)
  - Income from sale of assets including land, ships and investment securities + 1.9
- Financial CF was +5.8 bln yen inflow with increase of borrowing and dividend payment



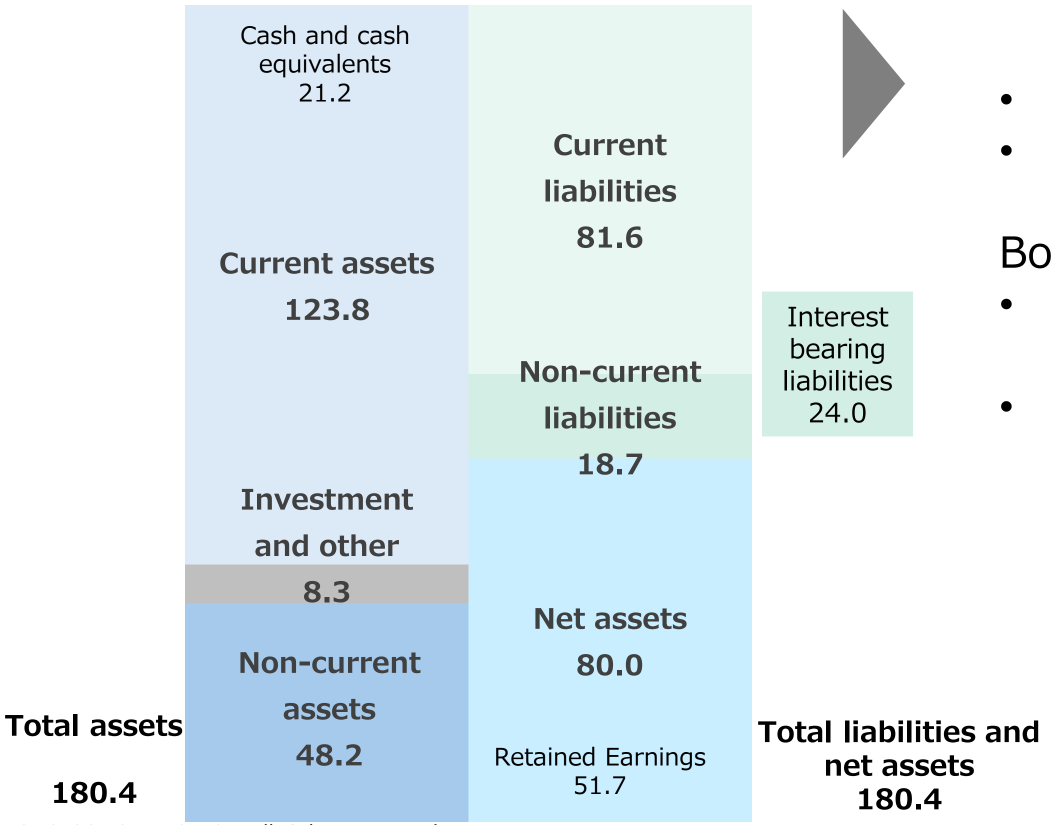
1 Balance Sheet

- Non-current assets increased by 11.1 bln yen primarily ascribe to progress in the construction of a Cable Laying Vessel[1]. Interest-bearing debt including current liabilities increased by 15.9 bln yen due to above investment and increase of working capital
- Net Assets decreased by 0.8 bln yen due to FY23 annual and FY24 interim dividend payments of 9.8 bln yen while net profit was 8.3bln yen.
- Borrowing up to 8 bln yen can be utilized in keeping D/E less than 0.4. Moreover, borrowing up to D/E 1.0 is feasible.

End of March 2024 (JPY bln)



End of March 2025 (JPY bln)



Financial Discipline

- D/E <0.4
- Equity Ratio>40%

Borrowing Capacity:

- 8.0 bln yen in keeping D/E < 0.4
- D/E 1.0 is feasible

[1] Total amount of this CLV investment is approximately 30.0 bln yen

2. FY2025 Forecasts

2 Summary of FY2025 Forecasts

Net Sales sharp growth, Profits larger despite intended costs up and Dividend higher

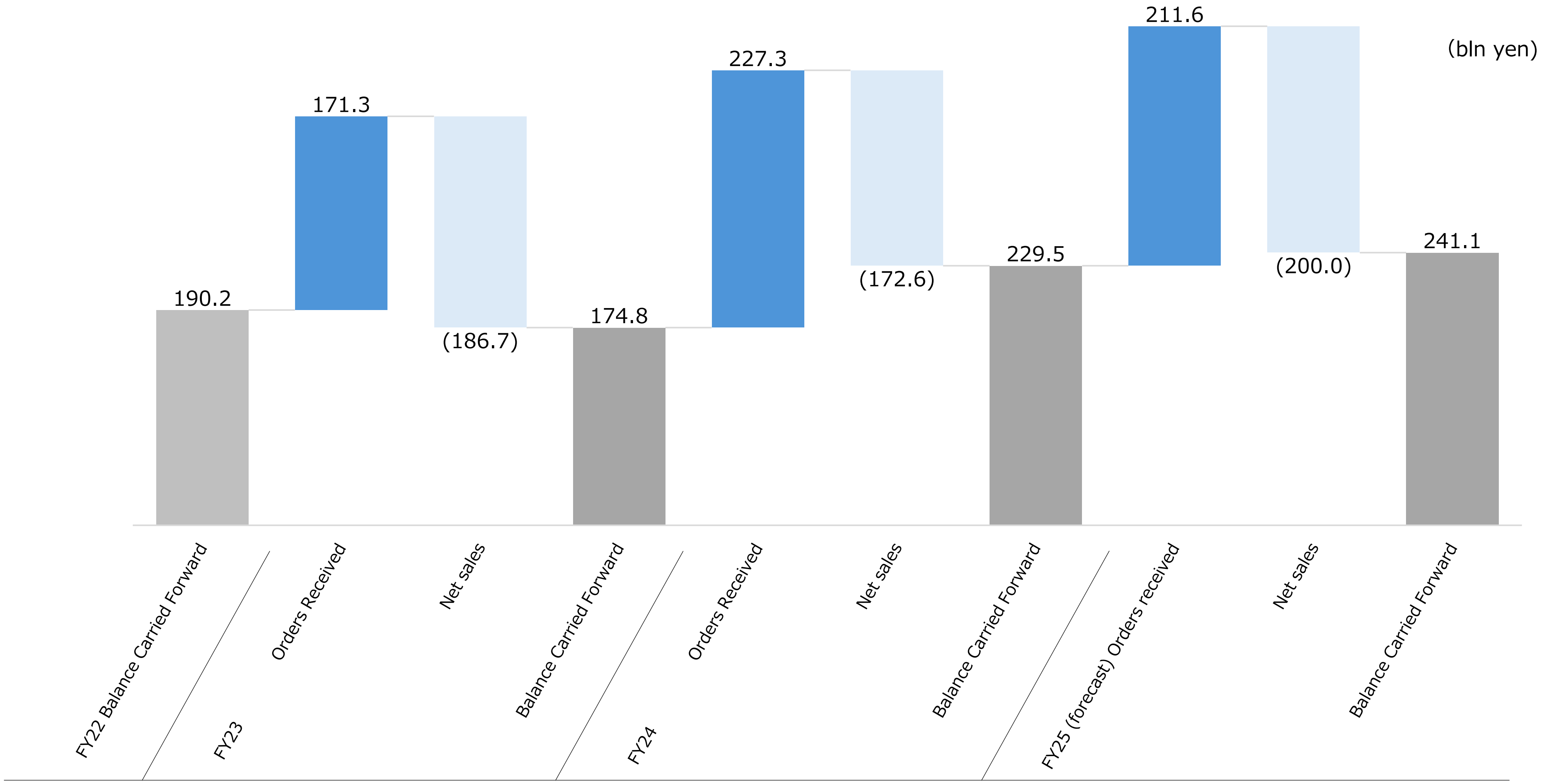
	Forecast	YoY
Net Sales	200.0 bln	+ 27.3 bln yen + 15.9 %
Operating Profit	12.0 bln	+ 0.3 bln yen + 3.0 %
Profit attributable to owners of parent	8.5 bln	+ 0.1 bln yen + 2.3 %
EPS	90.50 JPY	+ 2.01 yen + 2.3 %
DPS (planned)	90 JPY	+ 2 yen + 2.3 %
Orders received	211.6 bln	(15.7) bln (6.9) %

Factors of YoY change

- The company foresees a significant increase of net sales because of prior year carryforward balance that will proceed well to constructions.
- Operating profit is also expected to grow thanks to increasing revenue, partially offset by some intended SG&A increases in offshore wind power business preparations and wage up throughout the company and its subsidiaries.
- Earnings per share is expected to be 90.50 yen
- Forecasted dividends are interim 30 yen, year-end 60 yen thus annual 90 yen.
- Orders received is anticipated to decrease YoY slightly but it would keep over 210 bln yen range.

2 Balance Carried Forward, Orders Received and Net Sales in Rolling

As Orders Received and Balance Carried Forward are both in upward direction, Subsequent Net sales growth can reasonably be expected



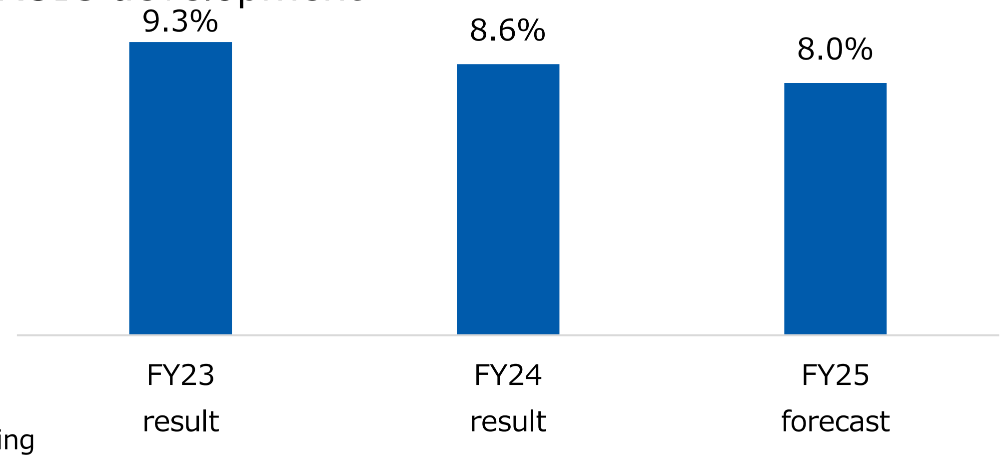
2 ROIC as a core metrics

- Starts from fiscal year 2025
- Calculation
  - ROIC (%) = Net Operating Profit After Tax divided by Invested Capital
  - Invested Capital of business units not having balance sheet = sum of working capital (current assets minus current liabilities) + non-current assets + investment other assets

- Key Initiatives for Invested Capital (Focus on increasing operating profit remains unchanged)

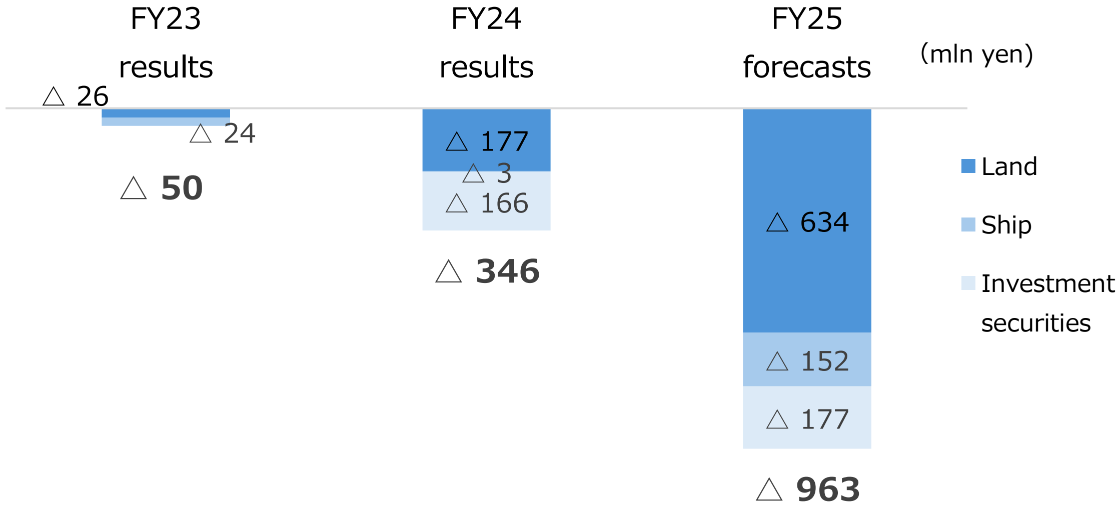
Civil engineering (domestic & overseas)	: Improve payment terms and evaluate the ownership value of ships
Building construction (domestic & overseas)	: Calculate capital costs upfront and improve payment terms
Offshore wind engineering	: For this growth driver to utilize in in the future
Corporate: Review assets & bz.s not making ROIC over WACC, put ROIC measure into compensation scheme	

- ROIC development



Of Civil engineering and Building construction domestic & overseas	10.4%	9.5%	9.9%

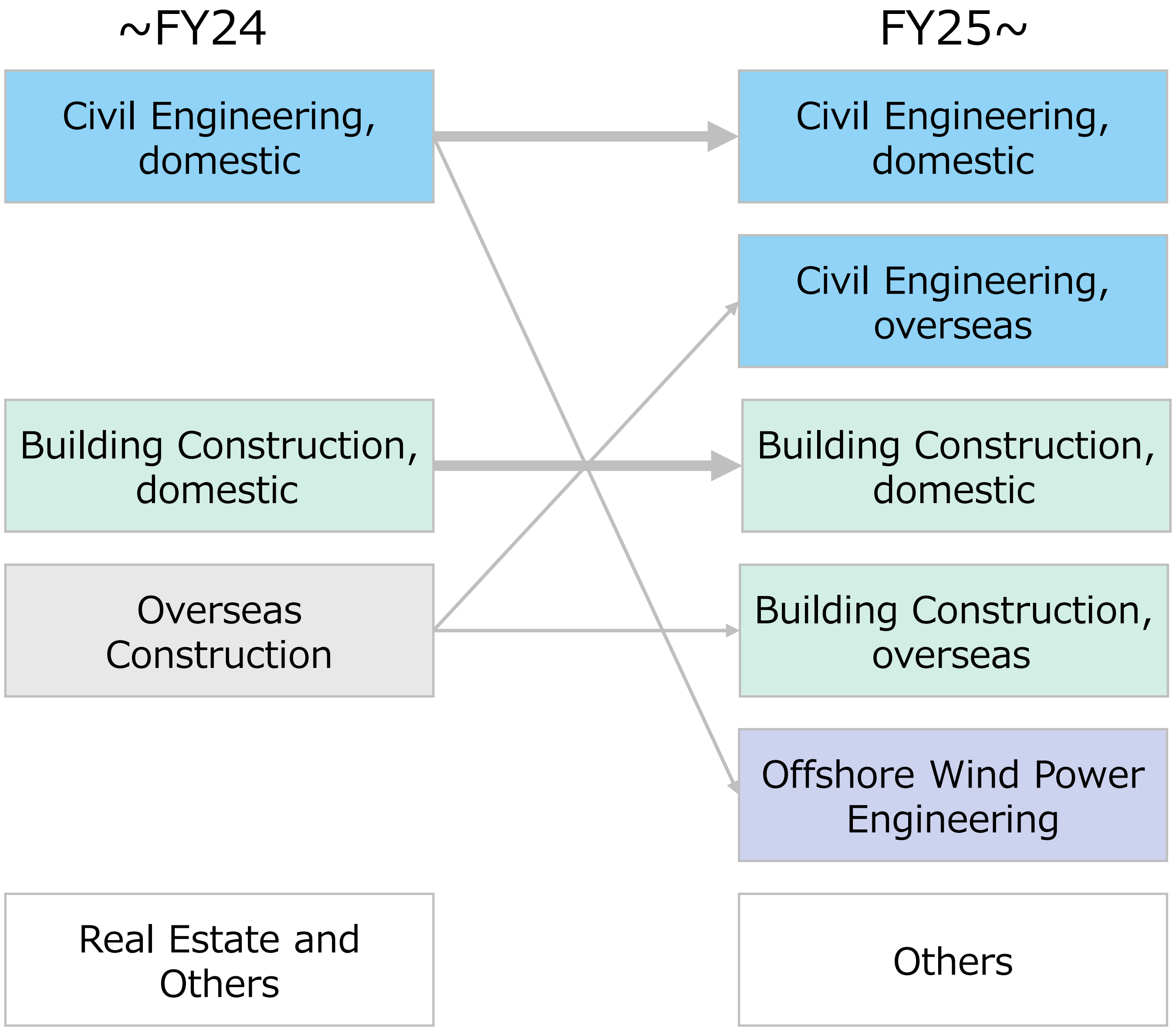
- Results of Invested Capital reduction thru asset sales



- Estimated cost of equity is approx. 7% and the weighted average cost of capital (WACC) is respectively 6%

3. Statuses of Segments

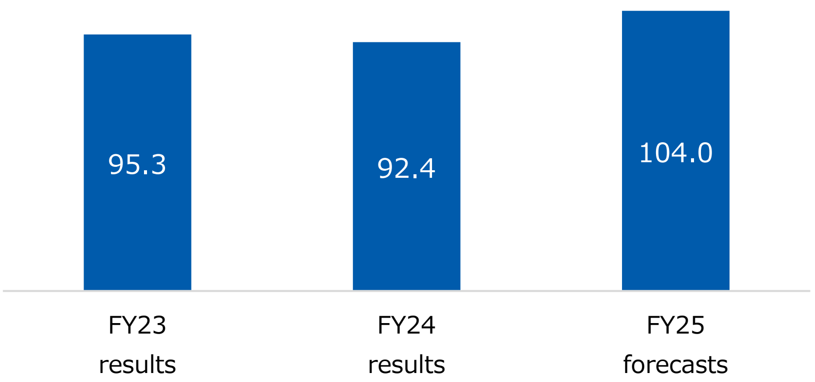
3 Change of Segments



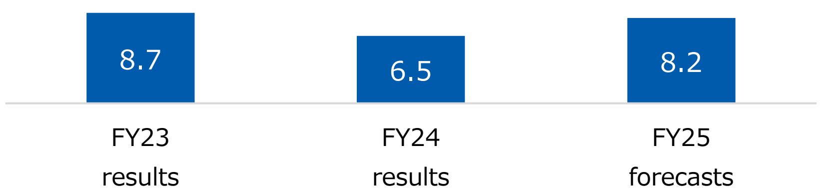
3 Civil Engineering, domestic

(bln yen)

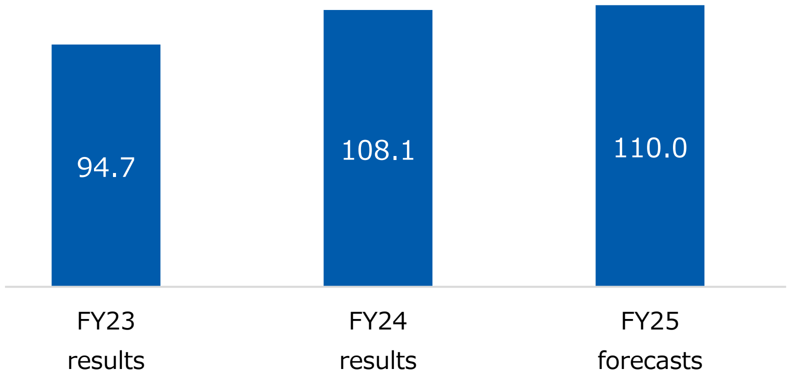
Net Sales of completed construction contracts



Operating Profit



Orders Received



Defense force related:
18% 17% 18%

FY24 results:

- Net sales decreased YoY due to lack of similar scale construction completed in PY
- Operating profit decreased YoY due to disappearance of above construction which was with higher profit contribution

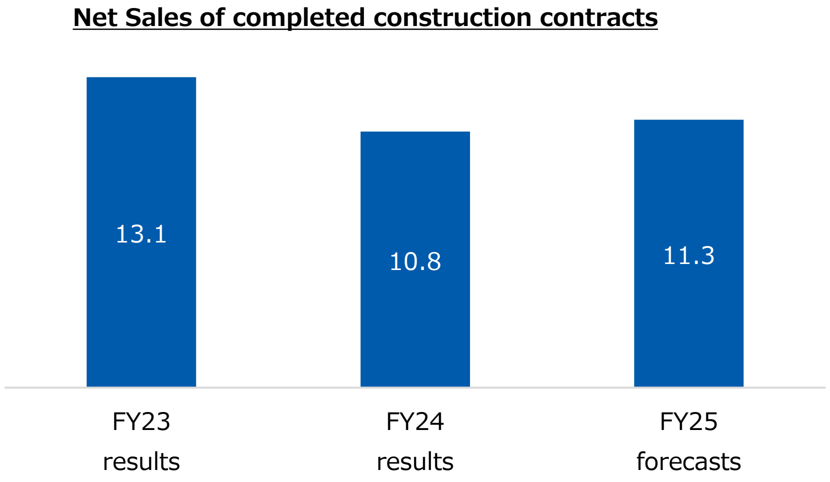
FY25 forecasts:

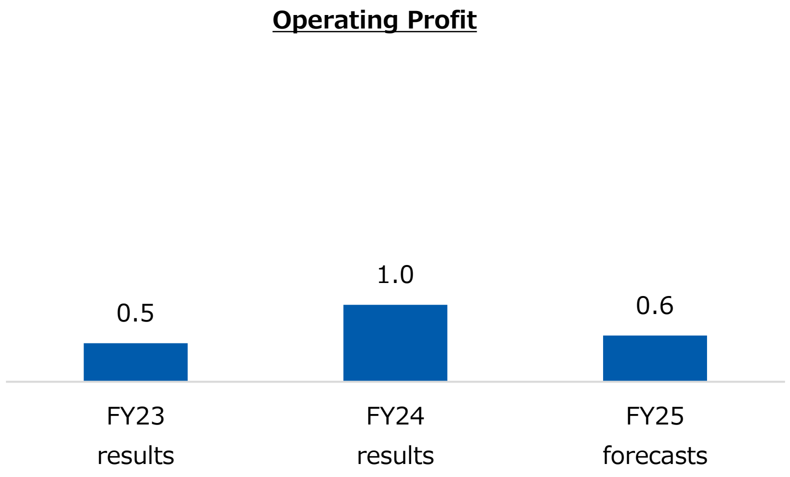
- Net sales and operating profit increase because prior year carryforward balance will proceed well to constructions
- For orders received, national resilience, defense force and green transformation (GX) related projects are highly anticipated
- Ratio of defense force related orders received is high teen %

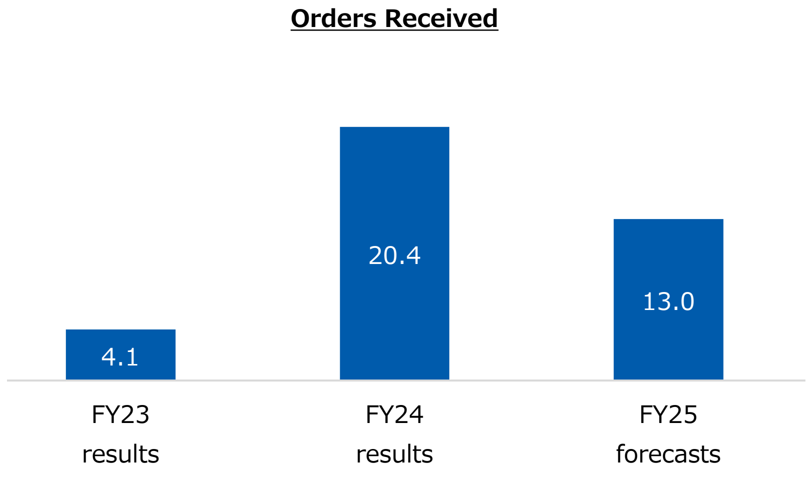
The Underwater installation of Japan's first commercial-scale large tidal turbine (on the ship) in the Goto Islands Nagasaki prefecture, in utilizing our self-propelled multipurpose vessel 'August Explorer'

3 Civil Engineering, overseas

(JPY bln)







FY24 results:

- Net sales decreased YoY due to a typhoon hit the Philippines caused suspension of projects
- Operating profit increased YoY despite net sales decrease offset by favorable pension fund asset management
- The orders received increased thanks to design change order on the above ODA project

FY25 forecasts:

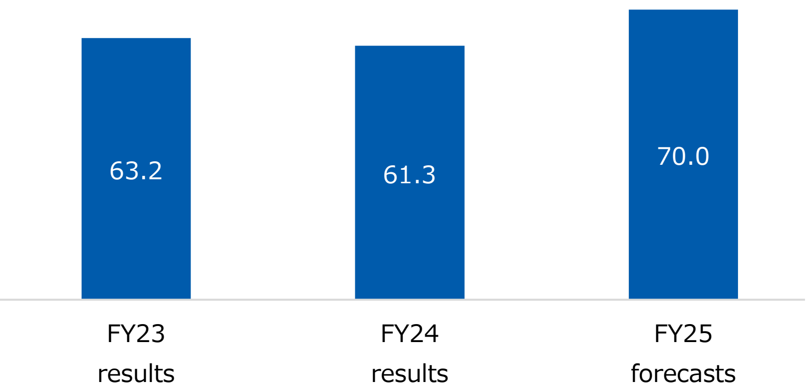
- Revenue is forecasted to increase as the ODA construction started in January 2025 will contribute
- Operating profit will decrease due to less impact of pension fund asset management YoY
- Orders received will decrease due to lack of large-scale ODA opportunity

Cagayan De Oro River Channel Improvement

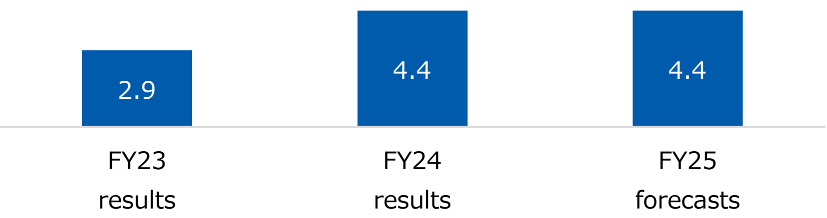
Building Construction, domestic

(bln yen)

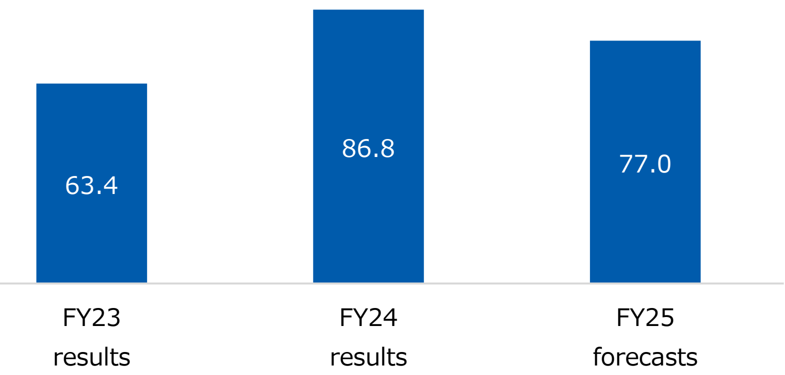
Net Sales of completed construction contracts



Operating Profit



Orders Received



FY24 Results:

- Net sales decreased due to postponement in some constructions where clients asked additional requests and we diligently responded to them
- Operating profit increased thanks to strengthened efforts to improve profit margins during the design and construction phases.
- Orders received increased thanks to obtain of large projects

FY25 Forecasts:

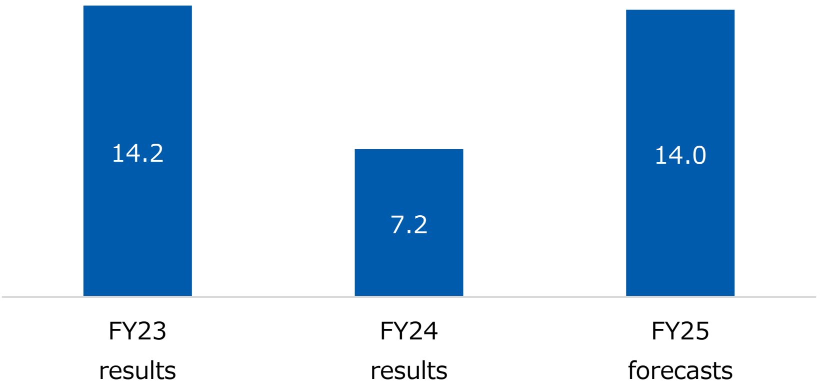
- Completed construction revenue is to increase as affluent carryforward balance will proceed to constructions
- Operating profit is to remain flat as profit improvement at the design and construction stages isn't yet factored in
- Order volume is anticipated to decrease as there are fewer high-confidence large projects compared to PY

Tokyo Information Design Professional University

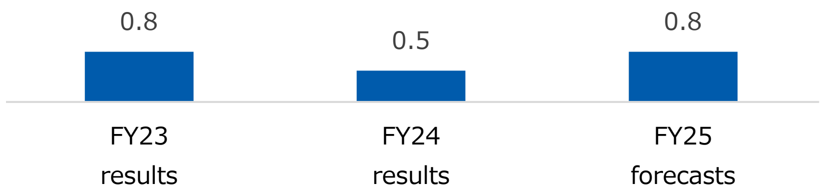
3 Building Construction, overseas

(bln yen)

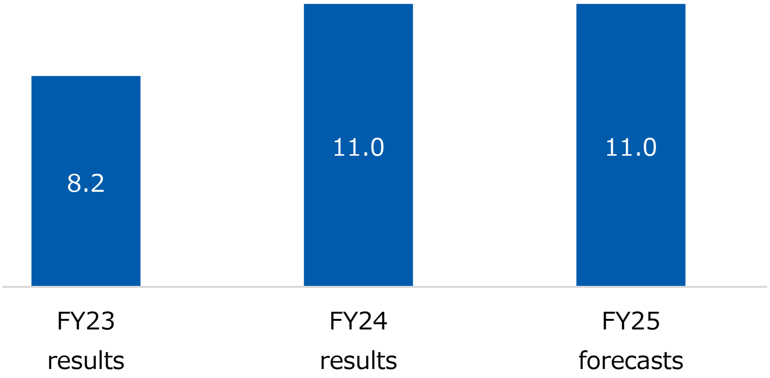
Net Sales of completed construction contracts



Operating Profit



Orders Received



FY24 results:

- ■ In these years Japanese enterprises' move to the Philippines is becoming slow due to their thoughts on geopolitical and JPY depreciation that supported domestic productions
- ■ As consequences, an affiliate company in the Philippines named CCT was affected by order volume decrease in FY23 and its net sales significantly decreased in FY24
- ■ CCT has started its shift to local companies. Thus, the volume of orders received in FY24 returned back

FY25 forecasts:

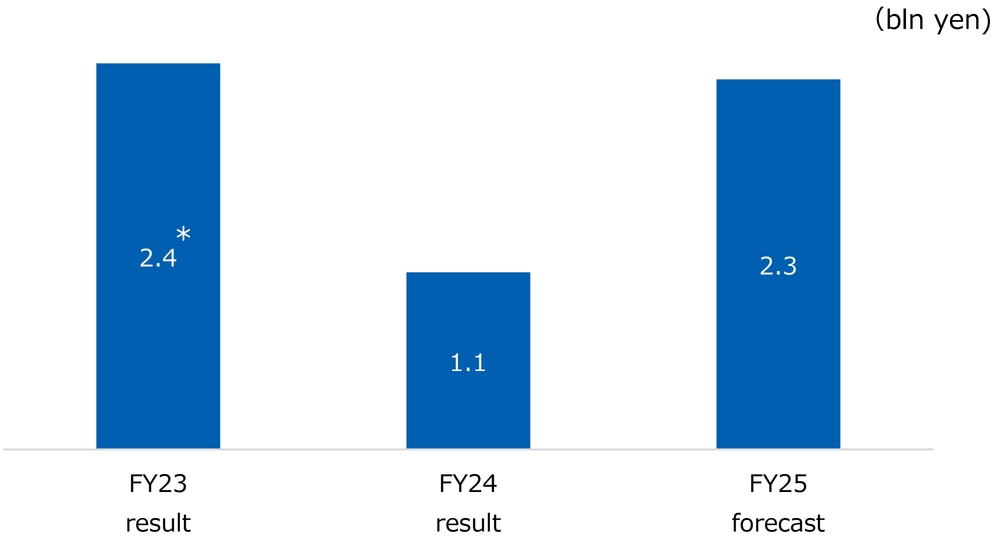
- ■ Sales activities reaching out to local companies are underway and the company is looking forward to recoveries in net sales and operating profit

New Zealand Creamery Inc. warehouse and commercial building (in the Philippines)

3 Forward looking Offshore Wind Power Engineering

- The company has established new offshore wind power segment
- Cable Laying Vessel (CLV) construction and other preparation for starting the operations from FY27 are going well and as planned

Expenses for business development



* includes 0.9 bln yen specific R&D expenses[1]

- ■ Currently constructing a self-propelled CLV
  - The forecasted investing amount is 30.0 billion yen
  - Scheduled to launch in June 2025 and expected to arrive Japan in 2026 1H
  - Upon operation, it will be the largest CLV with ship registry in Japan
- ■ The company has ordered Japan's first large-scale cable burial equipment that can work in deep sea
  - The forecasted investing amount is 4.0 billion yen
  - It is a unique burial machine embedded the company's proprietary technologies

CLV under construction

[1] The company's responsible part of the experimental tests conducted under the "Development of Floating Offshore Power Generation Facilities Using TLP Method" which is part of the Green Innovation Fund Project adopted by the New Energy and Industrial Technology Development Organization (NEDO) in collaboration with Mitsui Ocean Development & Engineering Co. Ltd. Furukawa Electric Co. Ltd. and JERA Co. Inc.

Summary of FY2025 forecasts

(bln yen or %)

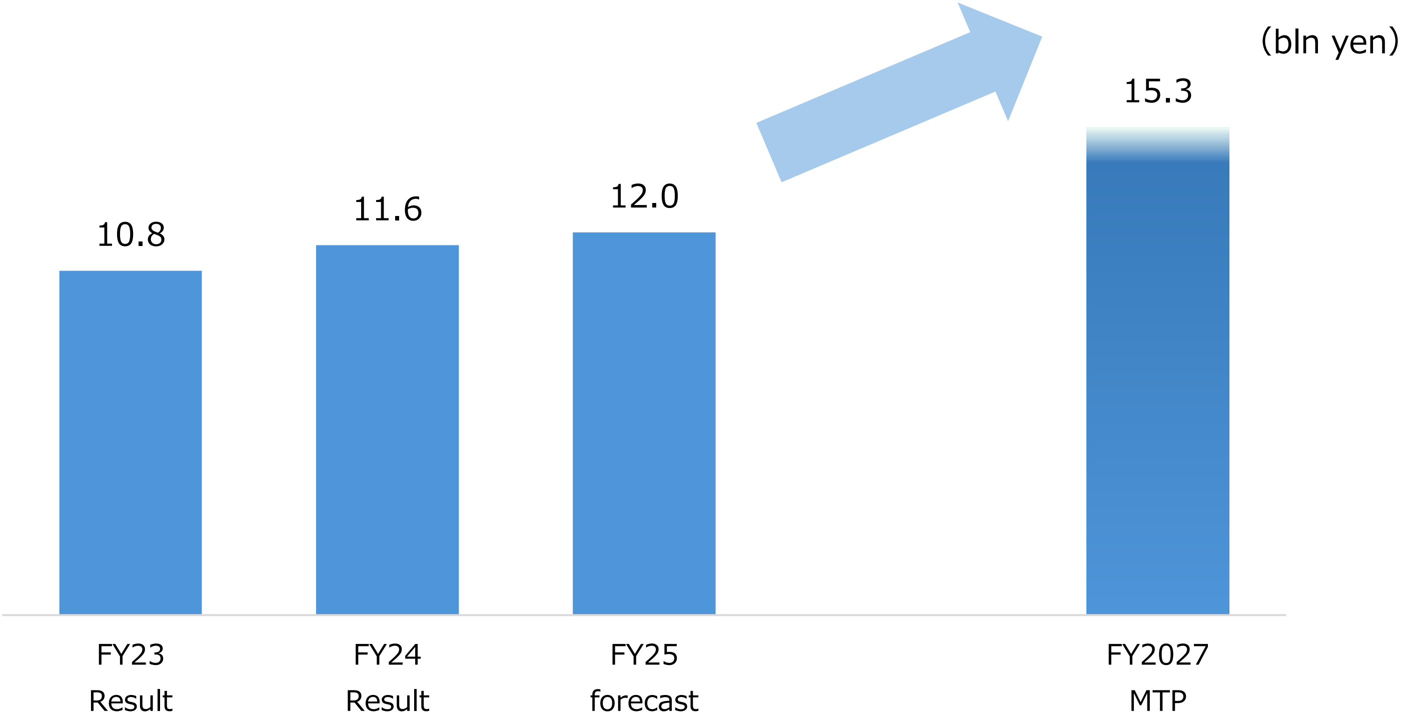
	FY23 Results	FY24 Results	FY25 Forecasts	YoY	YoY %
Net Sales	186.7	172.6	200.0	27.4	*16%*
Net Sales of completed construction contracts	185.8	171.8	199.3	27.5	*16%*
Civil Engineering, domestic	95.3	92.4	104.0	11.6	*13%*
Civil Engineering, overseas	13.1	10.8	11.3	0.5	*5%*
Building construction, domestic	63.2	61.3	70.0	8.7	*14%*
Building construction, overseas	14.2	7.2	14.0	6.8	*94%*
Offshore Wind Power Engineering	–	–	–	–	–
Others	0.8	0.7	0.7	0.0	*0%*
Operating profit	10.8	11.6	12.0	0.4	*3%*
Civil Engineering, domestic	8.7	6.5	8.2	1.7	*26%*
Civil Engineering, overseas	0.5	1.0	0.6	(0.4)	*(40%)*
Building construction, domestic	2.9	4.4	4.4	0.0	*0%*
Building construction, overseas	0.8	0.5	0.8	0.3	*60%*
Offshore Wind Power Engineering	(2.4)	(1.1)	(2.3)	(1.2)	–
Others	0.2	0.2	0.2	0.0	*0%*
Profit att. to owners of parent	7.0	8.3	8.5	0.2	*2%*

Orders received	171.3	227.3	211.6	(15.7)	*(7%)*
Civil Engineering, domestic	94.7	108.1	110.0	1.9	*2%*
Civil Engineering, overseas	4.1	20.4	13.0	(7.4)	*(36%)*
Building construction, domestic	63.4	86.8	77.0	(9.8)	*(11%)*
Building construction, overseas	8.2	11.0	11.0	0.0	*0%*
Offshore Wind Power Engineering	–	–	–		
Others	0.8	0.8	0.6	(0.2)	*(25%)*

4. Progress of the Mid Term Plan

4 Progress and forecast in the MTP in light of Operating profit

- The most important goal is to achieve the operating profit amount
- The company foresees the offshore wind power business contribution in FY2027



5. Topics in businesses

Topics #1 Impact of the U.S. reciprocal tariff

- Sales
  - In the company's view, sales to the U.S. does not exist currently nor planned in near future
- Procurement
  - Likewise, use of U.S. made materials and equipment within the supply chain does not exist nor planned in near future
- Potential indirect impacts
  - Elements that possibly affecting are under review

Topics #2 Significant orders received in Jan.- Mar. 2025

	Client	Name of work
Civil Engineering, domestic	Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)	FY2024 Tokyo Port Central Breakwater Outer Area Quay Construction (-16m) (Seismic) (Part
	Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)	FY2024 Tokyo International Airport P Taxiway and Other Ground Improvement Works
	Hokuriku Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)	Kanazawa Port (Kanaiwa Area) Breakwater (West) Improvement Construction
	Chubu Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)	FY2024 Nagoya Port New Dredge Disposal Area Reclamation Embankment Foundation Works
	South Kanto Defense Bureau, Ministry of Defense	NDA (6) Outdoor Water Supply and Drainage Improvement Civil Works
Building Construction	Nomura Real Estate Co., Ltd.	(Tentative Name) Nishi-Chiba Senior Housing New Construction Project
	Japan Shinshin Social Welfare Corporation	Shimada Rehabilitation Center Redevelopment Project New Ward Construction Works
	Daido Co., Ltd.	(Tentative Name) Friendship Country Club New Construction and Demolition
	Kyushu Defense Bureau, Ministry of Defense	Tsuiki (6) Maintenance Shop Construction and Other Building Works
	Kyushu Defense Bureau, Ministry of Defense	Iizuka (6) Office Building New Construction and Other Building Works

Historical financial data for FY22~FY24

The following data for FY22~FY24 are available on our website

- Consolidated Balance Sheet
- Income Statement
- Cash Flow Statement
- Segment Information
- By construction type Orders Received, Net Sales and Balance Carried Forward[1]
- By client type Orders Received, Net Sales and Balance Carried Forward[1]
- Indicators

https://www.toyo-const.co.jp/doc/ir/irnews/20250512_FY24Q4_historicaldata.xlsx

[1] Toyo Construction Co. Ltd. stand-alone figures

TOYO CONSTRUCTION CO., LTD.

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These forward-looking statements are based on judgments and assumptions made in light of the information currently available to the company and are not guarantees or assurances of future performance or developments.

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